



4004

ANNUAL REPORT

OF

Name: CITIZENS TELEPHONE COOPERATIVE, INC.

Principal Office: 143 E MAIN ST
P.O. BOX 127
NEW AUBURN, WI 54757-0127

For the Year Ended: DECEMBER 31, 1996

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CITIZENS TELEPHONE COOPERATIVE, INC.
Utility Location: 143 E MAIN ST
P.O. BOX 127
NEW AUBURN, WI 54757-0127

Utility Web Site Address:

When was utility organized?: 12/22/1952

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: DENNIS L. BACHMAN
Title: MANAGER

Office Address: 143 E MAIN ST
P.O. BOX 127
NEW AUBURN, WI 54757-0127

Fax Number: (715) 237 - 2812
Telephone Number: (715) 237 - 2605
Email Address: cittel@win.bright.net

Individual or firm, if other than utility employee, preparing this report

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: ROXANNE M. GRAVUNDER
Title: BOOKKEEPER

Office Address: 143 E MAIN ST
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NEW AUBURN, WI 54757-0127

Fax Number: (715) 237 - 2812
Telephone Number: (715) 237 - 2605
Email Address: cittel@win.bright.net

Person responsible for statistical information contained in report

Name: MICHAEL A. KELLEN
Title: COE TECHNICIAN

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P.O. BOX 127
NEW AUBURN, WI 54757-0127

Fax Number: (715) 237 - 2812
Telephone Number: (715) 237 - 2605
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IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:

Address:

Number of Shares Held:

Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name: NONE

Form of Interest: NONE

Extent Of Interest: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,391,298	1,290,414	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	106,934	123,717	2
Plant Nonspecific Operations Expense	423,575	348,174	3
Customer Operations Expense (6610-6620)	131,226	138,445	4
Corporate Operations Expense (6710-6790)	177,192	197,261	5
Other Operating Income and Expense (7100)	83	26	6
Operating Taxes (7200)	154,969	135,493	7
Total Operating Expenses	993,813	943,064	8
Net Operating Income	397,485	347,350	9
Other Income			
Nonoperating Income and Expense (7300)	125,040	130,731	10
Nonoperating Taxes (7400)	0	0	11
Interest and Related Items (7500)	33,744	35,638	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(24,067)	(19,021)	14
Total Nonoperating Income	67,229	76,072	15
Net Income	464,714	423,422	16

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*		0	1
Cash (1130)	43,092	55,767	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	265	140	4
Temporary Investments (1160)	1,431,773	1,998,546	5
TOTAL CASH AND EQUIVALENTS	1,475,130	2,054,453	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	77,374	63,792	6
Accounts Receivable Allowance-Telecom (1181)*	33,024	27,951	7
Net: Telecommunications Accounts Receivable	44,350	35,841	
Other Accounts Receivable (1190)*	160,616	165,931	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	160,616	165,931	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	27,664	10,653	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	232,630	212,425	
SUPPLIES			
Inventories (1220)*	63,500	19,379	13
TOTAL SUPPLIES	63,500	19,379	
PREPAYMENTS			
Total Prepayments (1280)*		0	14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	0	0	16
Prepaid Insurance (1310)	976	1,587	17
Prepaid Directory Expenses (1320)	0	0	18
Other Prepayments (1330)	13,573	13,116	19
TOTAL PREPAYMENTS	14,549	14,703	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	1,785,809	2,300,960	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	316,211	332,001	22
Nonregulated Investments (1406)*	0	0	23
Unamortized Debt Issuance Expense (1407)*	0	0	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	63,206	74,042	26
TOTAL INVESTMENTS	379,417	406,043	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	0	29
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	379,417	406,043	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,126,129	3,948,430	30
Less: Accumulated Depreciation (3100)*	2,839,168	2,461,184	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	33
Less: Accumulated Amortization--Intangible (3500)*		0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	1,286,961	1,487,246	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	957,280	7,166	39
TOTAL TPUC	957,280	7,166	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	2,244,241	1,494,412	
TOTAL ASSETS AND OTHER DEBITS*	4,409,467	4,201,415	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	201,627	98,865	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	4,487	2,666	3
Customer Deposits (4040)*	2,136	1,462	4
Current Maturities--Long-Term Debt (4050)*	78,000	78,000	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	5,175	14,826	7
Other Taxes--Accrued (4080)*	(7,431)	(13,622)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	18,445	16,894	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES*	302,439	199,091	
LONG-TERM DEBT			
Funded Debt (4210)*	706,898	781,339	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	706,898	781,339	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	0	0	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	0	0	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	7,431	8,679	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	7,431	8,679	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	21,150	20,540	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	3,371,549	3,191,766	32
TOTAL STOCKHOLDERS' EQUITY*	3,392,699	3,212,306	
TOTAL LIABILITIES AND OTHER CREDITS*	4,409,467	4,201,415	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	3,216	0	1
Motor Vehicles	2112	80,543	0	2
Aircraft	2113	0	0	3
Special Purpose Vehicles	2114	0	0	4
Garage Work Equipment	2115	0	0	5
Other Work Equipment	2116	138,732	6,893	6
Buildings	2121	110,570	0	7
Furniture	2122	4,468	0	8
Office Equipment	2123	16,244	14,097	9
General Purpose Computers	2124	36,281	3,995	10
TOTAL--GENERAL SUPPORT ASSETS:		390,054	24,985	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0	0	11
Digital Electronic Switching	2212	935,158	116,335	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0	0	14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	713,507	4,655	16
TOTAL--CENTRAL OFFICE ASSETS:		1,648,665	120,990	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0	0	17
Customer Premises Wiring	2321	0	0	18
Large Private Branch Exchanges	2341	0	0	19
Public Telephone Terminal Equipment	2351	18,614	0	20
Other Terminal Equipment	2362	0	0	21
TOTAL--INFORMATION ORIG/TERM ASSETS:		18,614	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0	0	22
Aerial Cable	2421	0	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	1,891,096	42,535	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0	0	27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0	0	29
Conduit Systems	2441	0	0	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		1,891,096	42,535	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111	0	0	3,216	1
2112	0	0	80,543	2
2113	0	0	0	3
2114	0	0	0	4
2115	0	0	0	5
2116	3,115	0	142,510	6
2121	0	0	110,570	7
2122	0	0	4,468	8
2123	5,276	0	25,065	9
2124	0	0	40,276	10
	8,391	0	406,648	
2211	0	0	0	11
2212	955	0	1,050,538	12
2215	0	0	0	13
2220	0	0	0	14
2231	0	0	0	15
2232	0	0	718,162	16
	955	0	1,768,700	
2311	0	0	0	17
2321	0	0	0	18
2341	0	0	0	19
2351	0	0	18,614	20
2362	0	0	0	21
	0	0	18,614	
2411	0	0	0	22
2421	0	0	0	23
2422	0	0	0	24
2423	1,464	0	1,932,167	25
2424	0	0	0	26
2425	0	0	0	27
2426	0	0	0	28
2431	0	0	0	29
2441	0	0	0	30
	1,464	0	1,932,167	
2681	0	0	0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	0	0	32
Intangibles	2690	0	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	3,948,429	188,510	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682	0	0	0	32
2690	0	0	0	33
	0	0	0	
	10,810	0	4,126,129	
2001				34
			4,126,129	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	16,244	9,799	1 A
Company Communications Equipment	2123.2	0	4,298	2 A
Software	2212.1	935,158		3 A,B
Digital Switching - Central Office	2212.2	0	116,335	4 A,B
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	713,507	4,655	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	0		14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	0		16
Buried Cable - Nonmetallic	2423.1	1,891,096		17 A
Buried Cable - Metallic	2423.2	0	42,535	18 A
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	3,164	(6,889)	15,990	1 A
2123.2	2,112	6,889	9,075	2 A
2212.1		(677,224)	257,934	3 A,B
2212.2	955	677,224	792,604	4 A,B
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			718,162	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			0	14
2422.1			0	15
2422.2			0	16
2423.1		(1,818,803)	72,293	17 A
2423.2	1,464	1,818,803	1,859,874	18 A
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	39,554	10.0	8,055		1
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	87,221	11.46	16,113		5
Buildings	2121	86,508	3.7	4,091		6
Furniture	2122	2,108	7.14	319		7
Office Equipment	2123	9,105	11.81	2,709		8
General Purpose Computers	2124	30,624	20.0	7,001		9
Total-- GENERAL SUPPORT ASSETS		255,120		38,288		0
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	508,099	10.0	164,645		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	433,209	14.15	101,299		15
Total-- CENTRAL OFFICE ASSETS		941,308		265,944		0
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	9,278	10.0	1,861		19
Other Terminal Equipment	2362	0				20
Total-- INFORMATION ORIG/TERM ASSETS		9,278		1,861		0
CABLE WIRE FACILITIES ASSETS						
Poles	2411	0				21
Aerial Cable	2421	0				22
Underground Cable	2422	0				23
Buried Cable	2423	1,255,477	4.16	79,807		24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	0				28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	0			29
Total-- CABLE WIRE FACILITIES ASSETS		1,255,477		79,807	0
Total Accumulated Depreciation	3100	2,461,183		385,900	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	0				47,609	1
2113	0				0	2
2114	0				0	3
2115	0				0	4
2116	3,115		500		100,719	5
2121	0				90,599	6
2122	0				2,427	7
2123	5,276		1,425	0	7,963	8
2124	0				37,625	9
	8,391	0	1,925	0	286,942	
2211	0				0	10
2212	955			0	671,789	11
2215	0				0	12
2220	0				0	13
2231	0				0	14
2232	0				534,508	15
	955	0	0	0	1,206,297	
2311	0				0	16
2321	0				0	17
2341	0				0	18
2351	0				11,139	19
2362	0				0	20
	0	0	0	0	11,139	
2411	0				0	21
2421	0				0	22
2422	0				0	23
2423	1,464		970	0	1,334,790	24
2424	0				0	25
2425	0				0	26
2426	0				0	27
2431	0				0	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	0				0	29
	1,464	0	970	0	1,334,790	
3100	10,810	0	2,895	0	2,839,168	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	9,105	7.14	953	1 A
Company Communications Equipment	2123.2	0	20.0	1,756	2 A
Software	2212.1	508,099	22.4	43,867	3 A
Digital Switching - Central Office	2212.2	0	13.0	120,778	4 A
Digital Switching - Remote	2212.3	0			5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	433,209	14.15	101,299	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	0			12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	0			14
Underground Cable - Nonmetallic	2422.1	0			15
Underground Cable - Metallic	2422.2	0			16
Buried Cable - Nonmetallic	2423.1	1,255,477	5.0	3,615	17 A
Buried Cable - Metallic	2423.2	0	4.16	76,192	18 A
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	3,164		1,425	(4,749)	3,570	1 A
2123.2	2,112			4,749	4,393	2 A
2212.1				(376,747)	175,219	3 A
2212.2	955			376,747	496,570	4 A
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					534,508	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					0	14
2422.1					0	15
2422.2					0	16
2423.1				(1,237,102)	21,990	17 A
2423.2	1,464		970	1,237,102	1,312,800	18 A
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	3,191,766	3,099,580	1
Changes:			
Balance Transferred from Income	464,714	423,422	2
Dividends Declared:			
Common	285,425	310,523	3
Preferred	0	0	4
Total Dividends Declared	285,425	310,523	
Miscellaneous Debits to Retained Earnings	0	22,000	5
Miscellaneous Credits to Retained Earnings	494	1,287	6
Balance--End of Year	<u>3,371,549</u>	<u>3,191,766</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	217,920	187,170	2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)	1,873	1,890	6
Local Private Line Revenue (5040)	2,570	2,665	7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)	40,652	35,488	9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	263,015	227,213	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	83,853	79,977	11
Switched Access Revenue (5082)*	513,650	499,504	12
Special Access Revenue (5083)*	17,417	7,559	13 F
TOTAL INTERSTATE ACCESS REVENUES (5080)	614,920	587,040	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	355,098	316,892	15
Special Access Revenue (5084.3)*	15,700	15,494	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	370,798	332,386	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*			17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	36,794	34,497	30
Rent Revenue (5240)*	1,051	1,051	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*		0	33
Special Billing Arrangements Revenue (5261)	0	0	34
Customer Operations Revenue (5262)	5,337	4,456	35
Plant Operations Revenue (5263)	0	0	36
Other Incidental Regulated Revenue (5264)	769	1,112	37
Other Revenue Settlements (5269)	641	695	38
Total Miscellaneous Revenue (5260)	6,747	6,263	
Interstate Billing and Collection Revenue*	22,677	19,110	39
Intrastate Billing and Collection Revenue*	76,496	84,054	40
Total Carrier Billing and Collection Revenue (5270)*	99,173	103,164	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	143,765	144,975	
GROSS OPERATING REVENUES	1,392,498	1,291,614	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	1,200	1,200	43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,200	1,200	
TOTAL OPERATING REVENUES	1,391,298	1,290,414	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	0	0		1
Less: Nonregulated	0	0		2
Net Regulated	0	0		3
Total General Support Expense (6120)	14,959	8,180		4
Less: Nonregulated	0	0		5 c
Net Regulated	14,959	8,180		6
Total Central Office Switching Expense (6210)	48,149	42,384		7
Less: Nonregulated	0	0		8
Net Regulated	48,149	42,384		9
Total Operator Systems Expense (6220)	0	0		10
Less: Nonregulated	0	0		11
Net Regulated	0	0		12
Total Central Office Transmission Expenses (6230)	3,575	4,006		13
Less: Nonregulated	0	0		14
Net Regulated	3,575	4,006		15
Total Information Orig. / Term. Expense (6310)	1,703	2,302		16
Less: Nonregulated	0	0		17
Net Regulated	1,703	2,302		18
Total Cable and Wire Fac. Expense (6410)	55,331	50,062		19
Less: Nonregulated	0	0		20
Net Regulated	55,331	50,062		21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	123,717	106,934		
Less: Nonregulated	0	0		
Net Regulated	123,717	106,934		
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	2,813	3,221		22
Less: Nonregulated	0	0		23
Net Regulated	2,813	3,221		24
Total Network Operations Expense (6530)	35,534	34,454		25
Less: Nonregulated	0	0		26
Net Regulated	35,534	34,454		27
Access Expense (6540)	0	0		28
Less: Nonregulated	0	0		29
Net Regulated	0	0		30
Total Depreciation and Amortization Expense (6560)	309,827	385,900		31
Less: Nonregulated	0	0		32 D
Net Regulated	309,827	385,900		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	348,174	423,575		
Less: Nonregulated	0	0		
Net Regulated	348,174	423,575		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110					1
					2
					3
6120					4
					5 C
					6
6210					7
					8
					9
6220					10
					11
					12
6230					13
					14
					15
6310					16
					17
					18
6410					19
					20
					21
6510					22
					23
					24
6530					25
					26
					27
6540					28
					29
					30
6560					31
					32 D
					33

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	630	798		34
Less: Nonregulated	0	0		35
Net Regulated	630	798		36
Total Services (6620)	137,815	130,428		37
Less: Nonregulated	0	0		38
Net Regulated	137,815	130,428		39
TOTAL CUSTOMER OPERATIONS EXPENSE	138,445	131,226		
Less: Nonregulated	0	0		
Net Regulated	138,445	131,226		
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	106,828	83,384		40
Less: Nonregulated	0	0		41 E
Net Regulated	106,828	83,384		42
Total General and Administrative (6720)	90,433	93,808		43
Less: Nonregulated	0	0		44
Net Regulated	90,433	93,808		45
Provision for Uncollectible Notes Receiv. (6790)	0	0		46
Less: Nonregulated	0	0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	197,261	177,192		
Less: Nonregulated	0	0		
Net Regulated	197,261	177,192		
TOTAL EXPENSES	807,597	838,927		
Less: Nonregulated	0	0		
Net Regulated	807,597	838,927		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
					35
					36
6620					37
					38
					39
<hr/>					
6710					40
					41 E
					42
6720					43
					44
					45
6790					46
					47
					48

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EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)		0		1
Provisioning Expense (6512)	2,813	3,221		2
Total: Reported in Account 6510	2,813	3,221		
Depreciat. Exp.--Tele. Plant in Service (6561)	309,827	385,900		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	309,827	385,900		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
6561					3
6562					4
6563					5
6564					6
6565					7

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	83	26	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)	0	0	3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0	0	4
Other Operating Gains and (Losses) (7160)*	0	0	5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	83	26	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	0	0	6
Operating Federal Income Taxes (7220)*	73,175	62,826	7
Operating State and Local Income Taxes (7230)*	0	(1,237)	8
Operating Other Taxes (7240)*	81,794	73,904	9
Provision for Deferred Operating Income Taxes--Net (7250)*	0	0	10
TOTAL OPERATING TAXES (7200)*	154,969	135,493	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	0	0	11
Interest Income (7320)*	126,375	132,316	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	0	0	16
Special Charges (7370)*	1,335	1,585	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	125,040	130,731	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	0	0	19
Nonoperating State and Local Income Taxes (7430)*	0	0	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0	0	22
TOTAL NONOPERATING TAXES (7400)*	0	0	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	33,684	35,542	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	60	96	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	33,744	35,638	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*		0	27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	(24,067)	(19,021)	32

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	87	29	1
Extended Area Service	194	67	2
Extended Community Calling	9	58	3
Other Local-Undefined			4
Total Local	290	154	
TOLL			
Operator Handled: State--intraLATA	1	6	5
Operator Handled: State--interLATA	1	5	6
Operator Handled: Interstate	1	8	7
Customer Dialed: State--intraLATA	27	217	8
Customer Dialed: State--interLATA	13	169	9
Customer Dialed: Interstate	22	288	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
Total Toll	65	693	
Total Local & Toll	355	847	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	35	60	0	0	2
Feature Group B -- Orig.	0	3	0	0	3
Feature Group B -- Term.	0	0	0	0	4
Feature Group C -- Orig.	0	0	1,571	0	5
Feature Group C -- Term.	0	0	1,359	0	6
Feature Group D -- Orig.	1,409	931	0	0	7
Feature Group D -- Term.	2,115	1,099	0	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	515	2
Sheath miles of plant - fiber optics	44	3
Strand miles of plant - fiber optics	44	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	2	1
56 kbps	0	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	3	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	515	2
Sheath miles of plant - fiber optics	44	3
Strand miles of plant - fiber optics	44	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	2	1
56 kbps	0	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	3	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	158	204	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	0	0	7
Centrex Lines	0	0	8
Key System Trunks	11	8	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	0	0	12
Pay Telephone			13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public	19	20	16
- Semi-Public	1	1	17
- Cust. Owned	4	3	18
Other	0	0	19
Total Business Lines	193	236	20
Residential (Incl. Emp. Concess.)			
1 Party	1,790	1,819	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	3	3	25
Other	0	0	26
Total Residential Lines	1,793	1,822	27
Total Bus & Res Lines	1,986	2,058	28
Company Used Lines	43	46	29
Total Lines Used	2,029	2,104	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	2	1	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	2	2	7
Special Access-interLATA			8
(expressed in equiv. access lines)	72	72	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	2	2	11
Feature Group C Trunks	47	47	12
Feature Group D Trunks	326	398	13
TSPS - Trunks	18	23	14
EAS - Trunks	144	144	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	3,558,375	3,719,481	27
Total Company Square Miles	191	191	28
Total Company Route Miles	470	515	29
Footnotes			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0920	3030	3730		1
Business					2
1 Party	61	53	90		3
2 Party	0	0	0		4
4 Party	0	0	0		5
PBX Trunks/System Trunks	0	0	0		6
Centrex Trunks	0	0	0		7
Centrex Lines	0	0	0		8
Key System Trunks	0	0	8		9
Mobile (utility provided service)	0	0	0		10
Paging (utility provided service)	0	0	0		11
FX-Out (Switched)	0	0	0		12
Pay Telephone					13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public	4	9	7		16
- Semi-Public	0	1	0		17
- Cust. Owned	0	0	3		18
Other	0	0	0		19
Total Business Lines	65	63	108	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	647	560	612		22
2 Party	0	0	0		23
4 Party	0	0	0		24
FX-Out (Switched)	0	3	0		25
Other	0	0	0		26
Total Residential Lines	647	563	612	0	27
Total Bus & Res Lines	712	626	720	0	28
Company Used Lines	12	8	26		29
Total Lines Used	724	634	746	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0920	3030	3730		1
Miscellaneous					2
WATS Lines - OutWATS	0	0	0		3
WATS Lines - 800 Service	0	0	0		4
FX-In-intraLATA	0	0	1		5
Special Access-intraLATA					6
(equiv. access lines)	0	1	1		7
Special Access-interLATA					8
(equiv. access lines)	0	0	72		9
Feature Group A Lines	0	0	0		10
Feature Group B Trunks	0	0	2		11
Feature Group C Trunks	0	0	47		12
Feature Group D Trunks	56	0	342		13
TSPS - Trunks	5	0	18		14
EAS - Trunks	72	0	72		15
Cellular Trunks (Pub. Sw. Net.)	0	0	0		16
Video Distance Learning					17
- discounted (special tariff)	0	0	0		18
Customers					19
Business - 2 Party Customers	0	0	0		20
Business - 4 Party Customers	0	0	0		21
Residential - 2 Party Customers	0	0	0		22
Residential - 4 Party Customers	0	0	0		23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,177,588	903,090	1,638,803		27
Exchange Square Miles	56	59	76		28
Exchange Route Miles	150	156	209		29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Nippon Electric	NEC	5
Northern Telecom	NTI	6
Siemens	SI	7
Stromberg-Carlson	SC	8
VIDAR	VI	9

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	CANTON	LONG LAKE	NEW AUBURN		1
PSCW Exchange ID	0920	3030	3730		2
Central Office Name	CANTON	LONG LAKE	NEW AUBURN		3
PSCW Central Office ID	1	1	1		4
Manufacturer of COE (Page 54)	NTI	NTI	NTI		5
Year COE Installed	1988	1989	1988		6
Type of Equipment (Page 54)	D	D	D		7
(S)tandalone, (H)ost, (R)emote	S	R	H		8
Remote Host PSCW Exchange ID		3730			9
Remote Host PSCW Central Office ID		1	0		10
COE Generic Software Release No.	408.10	408.10	408.10		11
SS7?	Yes	Yes	Yes		12
9-1-1?	Yes	Yes	Yes		13
Access Lines - In Use	724	634	746		14
- Equipped	768	960	960		15
- Wired	1,472	1,216	1,472		16
Trunks - In Use	167	0	520		17
- Equipped	192	0	576		18
- Wired	288	1,024	576		19
ISDN Available?	No	No	No		20
ISDN Lines - In Use (BRI)		0	0		21
- In Use (PRI)		0	0		22
Switched 56 Service?	No	No	No		23
Switched 56 lines in use		0	0		24
Digital Transmission Facilities: DS-1 - In Use	10	9	35		25
DS-3 - In Use	0	0	1		26
Advanced Data Service Available:					
Packet Switching?	No	No	No		27
SMDS?	No	No	No		28
Frame Relay?	No	No	No		29
ATM (Asynchronous Trans. Mode)?	No	No	No		30
Video Information - Service Available?	No	No	No		31
- In Use (# lines) ¹		0	0		32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	64	0	42		33
No. of fiber strands working (LIT) in C.O.	4	0	8		34
No. of fiber strands for interoffice use	4	0	4		35
Miles of fiber sheath in wire center	23	0	21		36
Access Tandem Serving this C.O.:					
- C.O. Name	NEW AUBURN	NEW AUBURN	NEW AUBURN		37
- PSCW C.O. ID	3730-01	3730-01	3730-01		38
Does this C.O. do access tandem switching?	No	No	Yes		39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes		40
Equal Access: IntraLATA (1+)?	No	No	No		41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- A) To reclassify beginning balances to reflect actual at FOY per PSC letter to LECs dated Feb. 7, 1997.
- B) Move COE software to proper account - \$72,748.00
- C) Difference in Land and Building expense due to expensing of minor remodeling projects in 1995.
- D) Increase in depreciation due to additions in COE.
- E) Decrease in Executive and Planning expense due to paying consulting fees to former manager in 1995 which ceased in 1996.
- F) Increase in Special Access Revenues due to an increase in Internet involvement.